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SUBJECT: EMBASSY MINSK WEEKLY REPORT - July 13, 2005

11. The following are brief items of interest compiled by Embassy Minsk over the past week.

Political Developments

11. No Early Election

On July 8, Deputy Head of the Presidential Administration Natalia Petkevich dismissed rumors of an early presidential election. According to Petkevich, the election date is predetermined in the Constitution and any rumors of early elections are lies to "give food to reporters." Petkevich stated that no state organizations would conduct opinion polls about the election because sociological services constantly cover the topic.

¶2. Delegates Chosen for Presidential Nomination Congress

By July 11, 1,500 opposition activists in 42 districts voted for delegates to the National Congress that will select a single opposition candidate for the 2006 presidential election. Among the 72 delegates chosen, 24 are members of the United Civic Party (UCP), 22 of the Belarusian Popular Front, and six of the Belarusian Party of Communists.

13. Sivakov Upset

While answering reporters' questions on July 7, the recently fired former sports minister Yuri Sivakov claimed he had not made any mistakes during his tenure as Minister of Sports and Tourism and called his dismissal a "blow below the belt." Sivakov stated that he did not see any failures during his service and did not feel ashamed of how he handled his job. When asked about his absence during his replacement's introduction to the staff, Sivakov replied that he "did not want to attend his own funeral or be an actor and force out words of gratitude." Sivakov facetiously promised to do something with his time, like take over an ailing collective farm or join opposition activist Vladimir Parfenovich's kayak federation or join the Foreign Legion, but does not plan to work for the GOB. "I will decide my own future and will not be used again as I have been used enough in the past."

Human Rights

14. Drugs and Ammunition in Activist's Apartment

On July 13, the Ministry of the Interior (MoI) announced that it would charge Anatoly Kishkurna, son of the chairperson of the Minsk branch of the Belarusian Popular Front Vladimir Kishkurna, with illegal drug and firearms trade. If convicted, Kishkurna could spend up to 13 years in prison. The charges follow the MoI Vice Squad's July 8 search of Kishkurna's apartment, where they found .0607 grams of heroine and 61 "various" gun cartridges. In addition, the police found an industrial printing press, 20 press forms, and over 3,000 unregistered newspapers, opposition leaflets, and posters. Kishkurna admitted he owned the cartridges, but claimed he had found them by chance and did not know that he was committing a crime. Kishkurna pleaded innocent to the illegal drug charges. Immediately following the apartment raid, state television reported the opposition's involvement in the drug trade. The news program claimed police officers found drugs, syringes, pistol shells and a sniper rifle in the apartment as well as underground newspapers and signed receipts from citizens who had assisted the opposition. An unnamed police officer opined that the opposition is now linking up with criminals and wondered who the opposition activist and/or his son intended to shoot.

15. Opposition Delegates Detained

Police briefly detained opposition activists on July 10 during a meeting to select delegates to the National Congress. Police arrested and later released the leader of the UCP Anatoli Lebedko prior to the event for violating passport rules in a border area and charged ten others with the same violation after the meeting. The meeting was moved to a private residence after the scheduled location, the Brest House of Culture, was locked when participants arrived.

16. Skrebets Resumes Hunger Strike

On 7 July, Sergei Skrebets resumed a hunger strike following a meeting with an investigator from the Prosecutor General's Office. According to his lawyer, Mikhail Khomich, Skrebets considers his case politically motivated and refused to cooperate with the investigator. He is thereby protracting the inquiry, which could now last several months. Khomich claimed Skrebets could be moved from Brest to Minsk in the near future. In June, Skrebets ended a 40-day hunger strike that he began following his May arrest for bribery and theft charges. Skrebets' wife told Ambassador that her husband is determined to prevail. She had persuaded him to end his previous hunger strike for health reasons. She expressed appreciation for the moral support he receives from the U.S. and other nations who follow his case.

17. Activist Arrested Twice

Police arrested Zubr member Aleksei Shidlovsky twice on 8 July for distributing copies of the unregistered opposition bulletin Vybor. After being detained for an hour at the police station for distributing the bulletin, Shidlovsky returned to the streets and distributed more copies. Police arrested him again and charged him with two counts of distributing unregistered printed material. If convicted, Shidlovsky could face a fine of USD 12 to 60.

18. Independent Paper Fined

On July 7, the opposition daily Narodnaya Volya was fined a total of USD 53,500 in three separate defamation trials, potentially bankrupting the paper. The first two lawsuits stem from a February article calling on Belarusians to demand democratic reforms and European living standards and an April article that published

10,000 signatures in support of the appeal. Nine people filed lawsuits claiming that they had not signed the petition. The third lawsuit was filed by chairman of the Liberal Democratic Party Sergei Gaidukevich in response to a March article outlining his involvement with the Hussein regime and oil. The Committee to Protect Journalists claimed lawsuits and large fines have crippled independent media in Belarus.

19. Journalists Fined

Police arrested five journalists at a July 6 protest in Grodno for displaying a banner saying `Give Glos znad Niemna back to the Poles'. The banner referred to the Grodno State Regional Printing Plant's refusal to print a May issue of Glos znad Niemna and to the publication of four false issues of the Polish language weekly that defamed the recently elected Union of Belarusian Poles' leadership. Authorities did not respond to the UBP and newspaper's complaints about the illegal use of the Glos znad Niemna nameplate in the false publications but did fine the arrested journalists for staging unauthorized protests and disobeying police orders.

110. NGOs Close

On July 6, human rights defender Yuri Chausov announced that since January, authorities had closed 38 NGOs in Belarus, most involved in political or quasi-political activities. According to Chausov, the president's new decree on public associations makes it easier for authorities to close NGOs and more difficult for people to establish them. By July 12, however, the Ministry of Justice had registered over 30 new NGOs, such as the Society of Gardening Amateurs, the Public Association of Microbiologists, and the National Public Association of Hairdressers.

Economics

111. Single Tax Decrease

On July 11, the Minsk City Council of Peoples' Deputies adopted a resolution to decrease the single tax on individual entrepreneurs by 15-20 percent. The tax rate

would depend on the business' location and turnover and price of goods sold. The tax covers 76 types of businesses and the resolution is expected to decrease monthly city budget revenues by USD 413,000. A presidential decree on fixed VAT sums for goods imported from Russia is expected to increase monthly VAT payments to the budget, totaling USD 6.5 million.

112. Closer to China

On July 11, Ambassador of Belarus to China Anatoly Kharlap announced China's plans to loan USD 150 million to the Belarusian Telecommunication Network (Best) to buy equipment. Registered in November 2004, Best is 100 percent state-owned and plans to operate nationwide by 12014. China has already agreed to lend Belarus USD 40 million to reconstruct Minsk heat power plant No.2 and USD 20 million to Borisov Pharmaceutical plant to develop pill production. Kharlap noted the substantial increase in trade and investments between Belarus and China and hopes that the number of Chinese tourists to Belarus increases and that flights between Minsk and Peking will resume. The two countries are due to sign a tourism agreement later this year.

13. Oil Deal with Russia

On 8 July, First Deputy PM Vladimir Semashko announced Belarus would sign a deal with Russia to import 19.5

million tons of crude oil from Russia in 2006 via pipelines and rail. Semashko stressed that the two countries have no differences over the delivery and processing of the oil.

114. Government to Aid Glassworks

During a July 9 visit to Neman Glass Factory in western Belarus, President Lukashenko told a crowd of employees and factory management that the government would help the failing company. Lukashenko blamed the company's financial problems on poor management and employee theft, saying that workers had stolen 30 percent of the company's output several years in a row (the plant's management and employees applauded him throughout his harangue). According to Lukashenko, USD 20 million is needed to modernize, improve product quality, raise sales, create new jobs, pay off debts, and reduce harmful emissions.

115. New VAT Scheme Works

At a July 7 press conference, Tax Minister Alla Deiko announced that the new VAT scheme with Russia, whereby taxes on imports and exports is collected in the country of destination, caused a 40 percent increase in tax proceeds for Belarus in the first quarter. According to Deiko, the numbers prove the VAT scheme's effectiveness. Deiko also informed that the total value of taxes collected in the first quarter exceeded USD 4 billion.

116. Keep Inflation Rates Low

The Ministry of Statistics and Analysis told reporters on July 12 that in the first quarter of 2005, the rate of inflation grew four percent compared to eight percent in 2004. The average monthly inflation rate in the same period amounted to 0.7 percent. Consumer prices rose 0.2 percent after climbing 0.6 percent in May. In June, the consumer price index grew one percent. According to the Ministry, Belarus' goal is to keep 2005's inflation between eight and 10 percent, an average of 0.8 percent per month. The IMF expects Belarus' 2005 inflation rate to max at 17.4 percent.

Military

117. Fighters to Guard Minsk

On July 12, the Defense Ministry announced starting July 15 Belarusian fighters would patrol the skies over Minsk, by order of President Lukashenko. To improve their response time, fighters will be rotated from various bases through the Machulishchi airfield outside Minsk. The MOD also announced that Belarus and Russia are monitoring NATO flights over the Baltics. Although NATO planes fly along the Lithuania-Belarus border, the Defense Ministry has noted no violations of Belarusian airspace. However, Belarus and Russia continue to monitor all jet take-offs and landings in adjacent countries.

Education

118. Institute for Modern Knowledge Forced to Close

On June 30, the Ministry of Education (MoE) informed the private university Institute for Modern Knowledge that it would have to close its departments of law and social technology (which includes legal studies and economic law) as well as close its affiliated branches in Grodno, Brest, and Vitebsk. The MoE is closing the three branches for failing a recent inspection, however, the rector of the Institute for Modern Knowledge told the

press he is appealing the decision, as in some cases they meet the same requirements as do local state schools which are not being closed. He specifically argued his Grodno branch received the same score in the inspection as Grodno State University. The 2,130 students at these branches are waiting for a court decision, while some IMK alumni are collecting funds to help them pay for more expensive state schools. [Comment: It is hard to judge if these closures are another attack against private education. IMK has long had a reputation as a weak school that would take any student who could afford to pay. One former faculty member from IMK told Pol Chief that students who fail exams could pay to retake them until they passed. IMK staff refused to meet with Emboffs to discuss their case.]

119. Technical Cooperation with China

On July 11, Belarusian State University (BGU) signed a memorandum of understanding with the Science and Technology Office of the city government of Harbin, China. First deputy rector of BGU, Sergei Rakhmanov, opined that close economic ties with China should be complemented with close scientific and technical cooperation and cooperation in the area of education. Rakhmanov claimed that the Chinese government views its northern provinces as a bridge for cooperation with Russia, Belarus and Ukraine.

Miscellaneous

120. Bride Shortage

A July 12 study by the Vitebsk Science and Research Center predicts that in 2006-2010, in 18 out of 21 of the region's districts, men aged 19-25 will outnumber females of the same age by 1 to 0.7. Center director Raisa Kosterova credited this difference to women being a more mobile population group that moves to cities to work or study. For people aged over 40, women outnumber men due to men's poor health from alcoholism, smoking, and accidents.

121. Growing Elderly Population

The Ministry of Labor and Social Security recently announced that by 2025, senior citizens would make up 28 percent of the population. In 1990, there were 5.8 million working people and 100 working-age people earned a living for every 46 pensioners. Today, there are 4.3 million working people, and 100 workers for every 60 pensioners. The number of prematurely retired people in Belarus has tripled since 1990, but there is still a large number of pension-age workers. Currently, 84,000 elderly are in need of social assistance.

122. Mayor Calls for Cleaner Toilets

Minsk Mayor Mikhail Pavlov expressed dismay on 12 July after visiting 40 public toilets in Minsk. He described most toilets as unhygienic because they had not regularly been cleaned with disinfectants. According to Pavlov, toilets should be contemporary, with modern sanitary engineering equipment, soap dispensers and paper towels.

¶23. Sexual Minorities Online

According to leader of the sexual minorities of Belarus Eduard Tarlestskiy, his group successfully registered their web site on June 14 in the .by zone. The group sent a request to the Ministry of Information and to the Special Ideological Committee for an advisory opinion before assigning a web address to the sexual minorities internet resource. The Ministry denied any relation to

the registration of the web site, claiming that it had nothing to do with internet resources. The Ideological Committee, after studying the web site's content, approved the registration.

124. Radioactive Substance Found

On July 11, the Emergency Management Ministry announced that two containers of Cobalt-60 were discovered at an abandoned military facility in Marina Gorka in the Minsk region. The radiation level around the containers was 90 times higher than normal. Radiation levels at the facility returned to normal after the Ministry moved the containers to a disposal facility. Law enforcement agencies are looking into why the containers were not removed earlier.

125. Memorials to Holocaust Victims

On July 10, two memorials dedicated to Belarusian Jews who died in the Holocaust were unveiled in the Minsk region. The monuments commemorated the 112 Jews executed in the village of Rakov and 37 killed in Vishnevo, the birthplace of former PM of Israel Shimon Peres. Britain's Simon Mark Lazarus Foundation largely financed the monuments on which plaques were written in Belarusian, English and Hebrew. Prominent Jewish leaders were present and Ambassador Krol spoke at the Vishnevo event (remarks on Embassy website), but no high level GOB officials were present at any of the ceremonies.

Anti-US

126. Democracy Not Importable

In a July 8 article in the state-controlled daily Respublika, journalist Nina Sheldysheva accused the US of imposing color revolutions in Belarus using blackmail and pressure. Sheldysheva claimed the U.S. is hurrying to implement revolutionary projects in former USSR countries because the "mechanism of orange revolutions is failing." She argued that the USG did not like the high level of stability in Belarus and pointed out that Belarus is able to listen to other countries, but prefers to decide its own destiny. This type of commentary compliments the barrage of reports on Belarusian state media critical of the Yushenko government and its failure to improve the lives of Ukrainians - a clear message to Belarusians that revolution brings poverty and incompetence.

Quote of the Week

127. On July 13, MP Nikolai Cherginets doubted the opposition's ability to lead the government:

"At best, we will find ourselves in a state with a rationing system, for they are good for nothing. None of the opposition leaders have ever paid taxes, although they can afford to fly business class and stay at luxury hotels. They have learned the basic rule: pass yourself off as a poor man and they will give more. The most unpleasant thing is that much of the group has started scaring one another with the Belarusian bugbear."

128. During his July 12 visit to his hometown in Shklov and Alexandria, Lukashenko blamed the West for Belarus' drug problems:

"Belarus is a transit country. They [dealers] carry this crap through our country and make our people addicted to it. It is the civilized West that makes us addicted."